

STATE OF MAINE
LINCOLN, ss.

SUPERIOR COURT
Docket No. RE-18-08

LEOL CORSON,)	
Plaintiff)	
)	
vs.)	VOLUME II
)	
JACOB BECK & JILL BECK,)	
Defendants.)	

CONTINUED DEPOSITION OF: JAMES W. GALLAGHER

Taken before Heather M. Williams, a Notary Public in and for the State of Maine, at the Law Offices of Gallagher, Villeneuve & DeGeer, at 181 Main Street, Damariscotta, Maine, on Thursday, February 14, 2019, commencing at 2:06 P.M., pursuant to notice given.

APPEARANCES:

For the Plaintiff: DENIS CULLEY, ESQ.
CRYSTAL ROY

For the Defendants: JONATHAN M. DAVIS, ESQ.

Also present TIMOTHY J. KIMPTON, ESQ.
Jacob Beck
Jill Beck
Leol Corson

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(No exhibits marked or offered on this date.)

1 A No.

2 Q Have you spoke with anyone other than your attorney
3 about this matter between your first deposition and
4 today?

5 A Perhaps my wife.

6 Q Well, I fully acknowledge the spousal privilege, so I
7 will not go any further on that.

8 Mr. Gallagher, I'm going to hand you your
9 deposition transcript from the first go around.

10 MR. KIMPTON: Can I take a break for a moment so
11 I can run and grab ours.

12 (Off the record briefly.)

13 BY MR. DAVIS:

14 Q So would you take a look at the deposition transcript
15 in front of you and take a look at pages 17 and 18?
16 What I'm going to try and do is focus, Mr. Gallagher,
17 on some of the questions that were objected to during
18 the first deposition. So just take a moment and take
19 a look at pages 17 and 18 and let me know when you're
20 done reviewing those.

21 A (Witness is examining document.)

22 Okay. I'm done.

23 Q So those pages were basically discussing how you
24 learned of the contract for Jacob and -- Jacob and
25 Jill Beck's purchase of Leol Corson's Bristol

1 property, right?

2 A Yes.

3 Q And your testimony there was that there -- your
4 testimony at the first deposition was that there was
5 a meeting where the contract was presented to you,
6 correct?

7 A Correct.

8 Q And Jacob and Jill were present at that meeting?

9 A At least one of them.

10 Q And you indicated in your first deposition that Leol
11 Corson may have been present at that meeting,
12 correct?

13 A Correct. May have.

14 Q May have been present.

15 Now, my question to which Mr. Culley objected
16 was: What if anything did either Mr. Beck or Leol
17 say at this meeting regarding the contract and this
18 deal? How was this explained to you?

19 So it was really two questions. What if
20 anything did Mr. Beck or Leol say at this meeting
21 regarding the contract and this deal? Do you recall?

22 A It's well over two years ago; I can't remember
23 verbatim what was said, no.

24 Q Do you recall how this transaction was explained to
25 you at that meeting?

1 A Only that the Becks were willing to purchase the
2 house and willing to care for Leol for basically the
3 rest of his life I believe at the house. And that's
4 very rough recollection of outline of what --

5 Q Do you have any recollection of have -- of being told
6 why the Becks were going to purchase the house?

7 A No, not specifically.

8 Q Do you recall having any concerns at that time that
9 Jacob Beck or Jill Beck were unduly influencing Mr.
10 Corson to engage in this transaction?

11 A I only remember they -- they had said they would take
12 care of him. It's -- that's my recollection. I
13 wouldn't say that was necessarily undue influence.
14 But I don't know; that's for a judge to decide, not
15 for me.

16 Q Well, I -- how long have you been practicing law?

17 A Forty-two years.

18 Q How long have you been involved in real estate
19 transactions?

20 A About that length of time.

21 Q Your best guess, how many real estate transactions
22 have you closed?

23 A Thousands. I couldn't tell you.

24 Q And would it be your practice to proceed with a real
25 estate transaction if you personally as the attorney

1 involved had concerns about undue influence?

2 MR. CULLEY: I'm going to object.

3 First of all, you've gone well beyond the
4 purpose of this deposition, which was to get answers
5 to questions that were objected to previously. And
6 now you're asking Attorney Gallagher for a -- an
7 opinion on the ultimate legal question in this
8 matter.

9 So I'm objecting on both those grounds.

10 MR. DAVIS: Your objection is noted.

11 BY MR. DAVIS:

12 Q Would you please answer my question?

13 A I've had very few transactions where I felt there was
14 undue influence. That's all I can tell you.

15 Q And in those transactions, did you proceed to closing
16 or did you put the brakes on? What would be your
17 practice?

18 A Looking for explanations.

19 Q Did you look for explanations in this transaction?

20 MR. KIMPTON: Objection. You're presuming an
21 answer that he didn't give.

22 Q Did you have any such concerns in this transaction
23 about undue influence?

24 MR. CULLEY: Yes, I'm going to renew my
25 objection. And I think where we're so far beyond the

1 purpose of this deposition, I'm going to ask the
2 witness not to answer.

3 A And I frankly am reluctant to answer that because it
4 is beyond the scope of what I understood this
5 deposition to be about.

6 BY MR. DAVIS:

7 Q Let's look at Deposition Exhibit Number 2. Take a
8 moment to just review -- you can read the entire
9 exhibit, of course, but in particular the first two
10 pages.

11 MR. CULLEY: I -- I have a question. Which of
12 the four questions does 2 relate to? I'm just trying
13 to figure that out. Which of the four questions that
14 we're here about does Deposition 2 relate to?

15 MR. DAVIS: So the question regarding
16 conversations about Mr. Corson's finances.

17 MR. CULLEY: So that is -- was that number --

18 MR. DAVIS: I believe if we take a look at -- so
19 I'm looking at page 29, line 13. Do you recall at
20 any point in time in this general period there being
21 a discussion with both Mr. Corson and with Mr. Corson
22 and Jacob and Jill Beck regarding Mr. Corson's
23 financial circumstances? Mr. Culley: I'm going to
24 object on the basis of attorney-client privilege.

25 MR. CULLEY: And so --

1 MR. DAVIS: So --

2 MR. CULLEY: -- how does Deposition 2 go to
3 that?

4 MR. DAVIS: Well, I haven't asked a question
5 yet.

6 MR. CULLEY: Yes, I know.

7 MR. DAVIS: So we don't know yet.

8 MR. CULLEY: Right. But --

9 MR. DAVIS: So if I can ask the question, then
10 certainly -- my only question so far to the witness
11 was to review a particular document. And I haven't
12 asked a question about said document yet.

13 MR. CULLEY: Okay. I'll reserve any objection.
14 Go ahead.

15 BY MR. DAVIS:

16 Q So with respect to Number 2, the first page appears
17 as -- is it a fair characterization to say these are
18 a series of e-mails between you and Mr. Beck?

19 MR. CULLEY: Yes, I'm going to object again.

20 A Appears to be.

21 MR. CULLEY: Here's the question I see. Maybe
22 I'm misreading this. Do you recall at any point in
23 time in this general period there being a discussion
24 with Mr. Corson? And so I'm not asking about a
25 conversation with Mr. Corson, I'm asking about a

1 conversation with Mr. Corson and with Jacob and Jill
2 Beck regarding Mr. Corson's financial circumstances.

3 So I don't see this as a conversation with Mr.
4 Corson or with anybody else. I see this as some sort
5 of e-mail chain.

6 MR. DAVIS: And Jacob and Jill Beck. It's an
7 e-mail from Jacob Beck to the witness.

8 MR. CULLEY: Right. But the -- the question was
9 about Mr. -- you had originally asked -- the
10 objection went to attorney-client privilege and his
11 conversation with Mr. Corson. Now you're saying it's
12 really about his conversation with Jacob and Jill?
13 Is that --

14 MR. DAVIS: With Corson, Jacob, or Jill.

15 I stopped my line of questioning because you
16 objected, Denis, and I wanted to respect your
17 objection based on attorney-client privilege. So my
18 practice is when there's an objection based on
19 attorney-client privilege, to move on to my next
20 question and not to pursue it any further, because I
21 don't want to -- again, I take objections in
22 depositions or in any other matter based on
23 attorney-client privilege very seriously.

24 MR. CULLEY: So you're saying Deposition Exhibit
25 2 goes to -- is part of this conversation?

1 MR. DAVIS: I'm saying it's a -- it's a question
2 about discussions that were not directly solely
3 between Mr. Corson and Mr. Gallagher. These are
4 discussions that -- I would suggest to you this is a
5 communication and correspondence that was not
6 protected by attorney-client privilege and concerns
7 Mr. -- Mr. Corson's finances at the time of the
8 transaction.

9 MR. CULLEY: And that includes all of the e-mail
10 dated November 10, 2016?

11 MR. DAVIS: I'm happy to redact everything but
12 the first two pages or to put it all in.

13 MR. CULLEY: No, no. Well, I'm talking about
14 Exhibit 2.

15 MR. DAVIS: Exhibit 2.

16 MR. CULLEY: There's an e-mail, good morning,
17 Jim. Does it include that e-mail?

18 MR. DAVIS: Correct. But more important to me,
19 it's the response on page 2.

20 MR. CULLEY: But it does include that e-mail,
21 too.

22 MR. DAVIS: Correct.

23 MR. CULLEY: So I can ask about that e-mail,
24 too.

25 MR. DAVIS: Of course. Of course.

1 MR. CULLEY: Okay.

2 BY MR. DAVIS:

3 Q Well, let me ask the -- let me ask a different
4 question if I may, then.

5 You've had the opportunity to review Exhibit 2,
6 Mr. Gallagher?

7 A Not completely. I'm trying to find my response. I
8 see two e-mails from Mr. Beck, one on page 1 --

9 MR. KIMPTON: I don't see a response here,
10 either.

11 A -- and one on page 2. I don't see any response.

12 Q How about the bottom half of page 2?

13 A It looks to me like that's a good morning, Jim. It's
14 a continuation or a new e-mail from Mr. Beck, begins
15 with: I've been discussing at length how to best
16 care for Grampa Corson. And there's items 1, 2, and
17 3 below that. I don't see that's my response.

18 Q Okay. So let me just move on, then.

19 So take a look at Deposition Exhibit page 29 --
20 28 to 29, excuse me. And let me know when you're
21 done reviewing those pages.

22 A (Witness is examining document.)

23 Had two pages stuck together. I was reading the
24 wrong page --

25 Q No trouble.

1 A -- so give me a second.

2 Q Of course. Please take your time.

3 A (Witness is examining document.)

4 Okay, I've finished.

5 Q And would you also take a look at Exhibit 5 to that
6 original transcript, which is the subject matter of
7 the questions that you just reviewed -- the section
8 of transcript you just reviewed --

9 A Mm-hmm.

10 Q -- just to make sure that we're all up to speed in
11 the context.

12 A Okay. I've reviewed 5.

13 Q Okay. So my question that I asked on page 29 line
14 13: Do you recall at any point in time in this
15 general period -- I hope there won't be an objection
16 to me suggesting that the general period is between
17 November 6, 2018 to the closing -- excuse me,
18 November 6, 2016 to the closing, which I believe
19 was -- we established was December 19, 2016. Do you
20 recall there being -- at any point in time in this
21 general period there being a discussion with both Mr.
22 Corson -- and to be clear, I'm asking about a
23 conversation with Mr. Corson and with Jacob and Jill
24 Beck -- regarding Mr. Corson's financial
25 circumstances?

1 It's an inartful question. The objection was
2 not as to form; the objection was to privilege. But
3 my -- what I was trying to ask is a conversation with
4 Jacob, Jill, and Mr. Corson regarding Mr. Corson's
5 financial circumstances in November, December 2016?

6 A I believe the substance of what I may have told Mr.
7 and/or Mrs. Beck is summarized in e-mails in
8 Deposition Exhibit Number 5. It would be unlikely
9 that I would have advised them of any other
10 circumstances that I would have known about Leol's
11 financial situation, other than what's in here. And
12 I do not remember telling them anything about his
13 personal financial situation, other than what's
14 contained in 5.

15 Q Well, so my -- but my first -- my question was, do
16 you recall whether there were any such conversations?
17 And is your testimony the only such conversation you
18 recall is in the Deposition Exhibit 5?

19 A That would be correct.

20 Q Okay. And would you take a look at page 48?

21 A (Witness is examining document.)

22 Q And in particular, take a look at line 18.

23 A (Witness is examining document.)

24 I've reviewed it.

25 Q And Mr. Culley objected to that question. So

1 understand he's withdrawn that objection, at least as
2 of now.

3 So at any point in time from December 6 to --
4 and that was my mistake, I should have said
5 November -- excuse me, November 8, which I think was
6 a date that we had talked about at the deposition.
7 In any event, at any time from December 8, 2016
8 through the date of closing, did you have any
9 conversations with Mr. Corson, Leol Corson, regarding
10 the potential implications of the Maine Improvident
11 Transfer Act on the proposed transfer?

12 A I don't remember speaking with him and using the
13 terms Improvident Transfer Act. I very well may have
14 spoken with him, as I would commonly do with any
15 client concerning sale of property involving a
16 relative. But I -- again, as I've said in this
17 deposition, my personal feeling was that the sale was
18 for value, and it would not have probably crossed my
19 mind to discuss Improvident Transfer at length with
20 him.

21 Q And would it be your practice if you had a
22 conversation with a client about a particular real
23 estate transaction, or if you had a conversation with
24 Mr. Corson about this particular real estate
25 transaction, to make some sort of record or memo or

1 notation about the date and the substance of any such
2 conversation?

3 A Probably not.

4 Q And would you take a look at page 49? Directing your
5 attention to line 16. My question was: When the
6 contract was -- was presented to you, what was your
7 understanding of the rationale behind it?

8 A I'm not sure I understand what you mean by the
9 rationale behind the contract. The contract was the
10 contract, it speaks for itself.

11 Q Were you -- was the purpose and the idea behind it
12 ever explained to you?

13 A You asked that earlier today, and I think my response
14 earlier today was that they were buying the house and
15 they were going to take care of Leol for the rest of
16 his life, one way or another. I mean, that would be
17 all I -- that would be only rationale that I can
18 think of that was behind that, if that's what you
19 were getting at.

20 MR. DAVIS: Nothing further at this time.

21 EXAMINATION

22 BY MR. CULLEY:

23 Q Denis Culley. I just have a few questions, Jim.

24 The Purchase and Sale Agreement, you've reviewed
25 that?

1 A Yes.

2 Q Does it -- and anywhere in that Agreement, does it
3 say that they're obligated -- the Becks were
4 obligated to care for Mr. Corson for the rest of his
5 life?

6 A I don't believe so. I'd have to take a look at it.
7 I haven't reviewed it in detail. But again, I did
8 not prepare this agreement. It was a signed document
9 when it came to my office.

10 Q Sure. So do you want to take a moment to -- to
11 review it? Is that -- yes.

12 A Sure.

13 Q And just my question, is there anything express in
14 that?

15 MR. DAVIS: And Denis, just so the record is
16 clear, in response to your objection about me --
17 concerns that I was wandering afield, I tried to
18 narrowly tailor my examination to the four questions.
19 So to the extent you're pursuing issues beyond those
20 four questions, I'm going to voice the same
21 continuing objection to your line of questioning.

22 MR. CULLEY: But I -- I just asked -- it's
23 almost exact question that you asked about the
24 Purchase and Sale Agreement. So I -- if it's
25 objectionable, then yours must be objectionable too.

1 A A quick review of it does not seem to indicate
2 anything other than a straight \$105,000 purchase with
3 a \$100 deposit.

4 BY MR. CULLEY:

5 Q Okay.

6 A Again, I did not prepare this.

7 Q Sure. Yes.

8 And regarding the Purchase and Sale Agreement,
9 to your knowledge -- to your knowledge, did Leol know
10 about or understand line 4 of that Agreement?

11 A Line 4 -- paragraph 4.

12 Q Paragraph 4, yes.

13 MR. DAVIS: Excuse me. Can we go off the record
14 just for a quick sec?

15 MR. CULLEY: Sure.

16 (Off the record briefly.)

17 (The preceding question was read back by
18 the reporter.)

19 A I have no idea what Mr. Corson knew or didn't know.

20 Q Okay. All right. In your experience -- you were
21 asked earlier about your many years experience in
22 real estate transfers -- is it common when people
23 sell their house that the buyer gets everything in
24 the house too, every single one of their possessions?

25 A Very rare.

1 Q Yes. Okay.

2 A In my experience.

3 Q In your experience, yes. Forty years plus
4 experience.

5 I want to direct your attention back to Exhibit
6 2. This is an e-mail chain between Jacob and
7 yourself.

8 A Okay.

9 Q Specifically the first part, November 10, 10:17 A.M.

10 A Mm-hmm.

11 Q What's going on in this -- these first few
12 paragraphs, say 1 through -- well, what's going on in
13 all five paragraphs? Could you summarize what's
14 going on in this e-mail?

15 A As I remember, Mr. and Mrs. Beck were seeking to
16 qualify with I think it was USAA to mortgage the
17 property. The question was the price. And it's a
18 little bit odd because the contract is dated November
19 12. Mr. Beck is talking about putting 20 percent
20 down on a \$130,000 purchase price. He talks about
21 the \$105,000 -- it's what actually wound up on the
22 contract. Says they would like to help with his
23 other debts.

24 Apparently they had talked, Mr. Corson and the
25 Becks had talked about Leol's financial situations

1 other than this, which I'm not aware of.

2 Q To your knowledge, was there an agreement for the
3 Becks to pay Leol's other debts, written agreement,
4 any agreement?

5 A Nothing.

6 Q No?

7 A It's not apparent in the Purchase and Sale Agreement.

8 Q Is it fair to say in this e-mail, I guess it's Jacob
9 Beck who sent it, is offering to pay \$105,000 instead
10 of \$130,000?

11 A It says they talked about 130,000 and that it sounds
12 like they're looking at 105 as the purchase price,
13 which is what is reflected in the P & S.

14 Q I'm looking at paragraph 3. Putting down 20 percent
15 on the price we talked about, do you think that we is
16 not you?

17 A It's not me.

18 Q Never talked about the price?

19 A No. Just what I saw here.

20 I mean, I was not trying to negotiate the deal
21 for -- for Leol. It's apparent that he and his --
22 his granddaughter and her husband were dealing with
23 that directly. And as I say, the first thing I saw
24 that it was sold, was under --

25 Q So in --

1 A -- contract was the contract itself.

2 Q Okay. So in your representation for Leol, you did
3 not give him guidance or assistance in negotiating
4 the price of the sale of his house and everything he
5 owns?

6 A First, I would have to say I didn't know until they
7 brought the contract in that it was everything else
8 he owned. Apparently prior to the contract -- the
9 contract is dated November 12 and this is November
10 10 -- Mr. Beck and I exchanged e-mails, although I
11 don't see my response at least on that page, nor on
12 the next one.

13 There are some responses to the November 10 --
14 the second e-mail between Mr. Beck and I where it
15 looks like I copied his e-mail and then answered his
16 questions immediately after the question was asked.
17 For example, in number 1, I say that's okay. Number
18 2, I say good idea.

19 Again, I have to look at this and assume that
20 these are my responses because I have no direct
21 recollection of two and a half years ago what -- what
22 I may have said.

23 Q So you didn't have a copy of this e-mail, then?

24 A Probably on my machine somewhere.

25 Q Your own copy?

1 A But I wouldn't --

2 Q Okay.

3 A I wouldn't necessarily have looked at it in
4 preparation for this previous deposition. It was an
5 exhibit at the deposition.

6 Q So in answers --

7 MR. KIMPTON: Can we take a break here?

8 MR. CULLEY: Yes.

9 (Off the record at 2:39 P.M. The
10 deposition resumed at 3:03 P.M.)

11 MR. CULLEY: If you could read the last
12 question.

13 (The preceding question was read back by
14 the reporter.)

15 BY MR. CULLEY:

16 Q It would be Exhibit 2 then, right?

17 A Mm-hmm.

18 Q Right, Exhibit 2.

19 And I had asked you -- I had asked you about
20 paragraphs 1 through 6 on the front page. Just want
21 to ask you to follow up on the next e-mail, it's the
22 same day but 10:17 A.M., where you -- you believe
23 that the capital print might be your responses?

24 A Correct.

25 Q Are you anymore sure whether or not they're your

1 responses?

2 A I'm reasonably sure they are my responses.

3 Q Okay. Sure. So I'm looking at the -- the fourth
4 one. I'd asked earlier about the -- whether you had
5 been involved at all with the price, 130 versus 105.
6 And your response to the fourth one, could you read
7 that?

8 A My response is --

9 Q Yes.

10 A Leol, a second mortgage, I think I meant to type has,
11 says I'll check with the bank, it's rare these days,
12 you could give Leol a second mortgage for the
13 additional amount.

14 Q Yes. So -- so was it your intention to check with
15 the bank and see if they would --

16 MR. KIMPTON: I'm going to object to the
17 question. I think you're going beyond what -- the
18 scope of the questions that you had asked -- that you
19 had objected to before. And it's beyond the scope of
20 this deposition.

21 MR. CULLEY: Sure.

22 BY MR. CULLEY:

23 Q I'll ask you to answer that.

24 A I'm sure I did check with the bank.

25 Q And regarding a second mortgage for the additional

1 amount, did you mean the difference between 105
2 and -- 105,000 and 130,000?

3 A At that point, there was no contract. I have --
4 again, I don't know what negotiations were taking on,
5 other than what I see in number 3 on the front page
6 of Deposition Exhibit Number 2, which talks -- Mr.
7 Beck talks about 130,000 brings a downpayment up to
8 26,000, which they don't have. That's --

9 Q So you're saying you had no role in the negotiations
10 or the price?

11 A I -- I did not talk -- to the best of my
12 recollection, I did not talk with Mr. Corson about
13 the price here. The -- the first time I saw there
14 was any deal on the table, all this had been kind of
15 exploratory before and a couple of days before the
16 contract. But the first time that I knew what the
17 price was going to be was shown in Exhibit Number 3,
18 it was brought to my office.

19 I -- that's -- that's the only response I can
20 give you.

21 Q Okay. So then I -- is it fair to say, then, that
22 the -- any negotiations were between -- to your
23 knowledge, any negotiations were between the Becks
24 and Mr. Corson alone?

25 A Yes.

1 Q Yes. Okay. I won't go any further on that now.

2 I want to ask a question about Exhibit 10, the
3 Living Arrangement Agreement. And this -- this would
4 tie back to the questions that were objected to
5 related to Leol -- the -- the deal -- the arrangement
6 consulting with everybody. Did you draft the Living
7 Arrangement Agreement?

8 A I did.

9 Q And what was the purpose of the Living Arrangement
10 Agreement; in your eyes?

11 A I think it was to put down in writing what Mr. and
12 Mrs. Beck had indicated to me they intended to do for
13 Mrs. Beck's grandfather. I can't tell you right now
14 from -- from my memory whether that was part of
15 the -- it certainly isn't in Exhibit 4, the -- the
16 contract. I think that's Exhibit 4.

17 Q Maybe Exhibit 3?

18 A Maybe Exhibit 3, yes. Yes, 3.

19 I'm certain it was -- it was their intent, and
20 they seemed well-meaning, to take care of Leol.

21 Q Does the Living Arrangement Agreement -- is the
22 Living Arrangement Agreement, Exhibit 10, a contract
23 for the Corsons to provide help with cooking?

24 A It appears to be more related to who pays the
25 expenses for Mr. Corson living at the house post

1 Agreement.

2 Q And that would be Mr. Corson, wouldn't it?

3 A Yes.

4 Q So does this Agreement bind the Becks to provide
5 medical care?

6 A Well, the Agreement speaks for itself. I --

7 Q Yes. Well, does -- what does it bind the Becks to do
8 for Mr. Corson?

9 A To allow Mr. Corson to live at the residence with
10 temporary help as may be necessary for as long as
11 he's able to live by himself with a minimum help from
12 outside sources.

13 Q Does it say who the temporary help might come from?

14 A No.

15 Q Was this recorded in the Registry of Deeds?

16 A No.

17 Q Is this a deed?

18 A No.

19 Q Is this a life estate?

20 A No.

21 Q There was some talk earlier about a --

22 A That's my opinion.

23 Q What's that?

24 A My opinion.

25 Q Your opinion.

1 A Yes.

2 Q Granted.

3 There was some talk earlier about a support
4 mortgage. Was there a support mortgage?

5 A No.

6 Q Okay. Just back to -- to Exhibit 3, the -- the
7 Purchase and Sale Agreement. You had said earlier
8 that providing care for support was not part of the
9 Purchase and Sale Agreement. Is that true?

10 A I don't see it explicitly stated anywhere in here.

11 Q Okay. And was your understanding of the \$105,000
12 sale price that would include all of Leol's
13 possessions, tools, everything he owned on that
14 property?

15 A That's what was presented to me as a signed document.
16 Yes.

17 Q And so in those discussions that we looked at in
18 Exhibit -- what is it, Exhibit 2, there was talk of
19 105,000, talk of the sale, was it your understanding
20 during those exchanges that everything Leol owned was
21 also included, all of his chattels and personal?

22 A No.

23 Q Oh.

24 A No, I was -- I was talking just real estate, not in
25 the usual things, you know, stove, refrigerator,

1 washer, dryer --

2 Q Oh, yes.

3 A -- that might normally go with a -- with a sale.

4 Q I'll stop for now.

5 EXAMINATION

6 BY MR. DAVIS:

7 Q Mr. Gallagher, just a couple of quick questions.

8 Counsel was asking you about Exhibit 2, and he
9 asked you questions on I think it was page 3 of
10 Exhibit 2. You'll have to bear with me as I rifle
11 through to try and find mine. And in particular, he
12 was asking you, if you take a -- at page 3, he was
13 asking you questions about -- Mr. Culley was asking
14 you questions about the if possible we could take
15 over his mortgage; response, I'll check with the
16 bank, you could give Leol a second mortgage.

17 If I direct your attention to number 3 on the
18 page 4 at the bottom, where talking about -- the
19 e-mail, point number 3 is putting 20 percent down on
20 the purchase price, brings the downpayment to 26,000,
21 unfortunately, we don't have this amount but we're
22 actively working on getting this.

23 And I think you had said that your responses to
24 Jacob's points were in all caps. And so your
25 response number 3 is: Time is on our side but Leol

1 can't wait too long. Do you recall what you meant by
2 that?

3 A I honestly don't. It -- I'm sure that that's
4 something that I typed, but I'm not sure whose side
5 that refers to.

6 Q Okay. And counsel was asking you questions about
7 Exhibit 10, the Living Arrangement Agreement. You
8 don't have to look at it. It's -- if I recall your
9 previous deposition testimony, you didn't recall
10 whether you had sent that out for review prior to
11 closing. But you -- we certainly I think -- you
12 agreed that it was signed at closing, correct?

13 A Correct.

14 Q It seemed consistent with your -- your recollection
15 of your prior testimony?

16 A That's correct.

17 Q Okay. Do you recall whether there was any hesitation
18 or reluctance on the part of Jacob and Jacob or Jill
19 Beck to sign such -- that document? Were they
20 hesitant at all that you observed at closing?

21 A I don't remember, I'm sorry.

22 Q And I want to make sure that -- that your -- your
23 sworn testimony is accurate in response to questions
24 from Mr. Culley about real estate transactions
25 involving personal property. Did I -- and here I'm

1 clearly putting words in your mouth, so please
2 correct me. I thought I heard you testify that on
3 perhaps a handful of occasions you've seen
4 transactions involve contents of homes? Is that
5 accurate?

6 A Yes. Very few.

7 Q In your experience in the years of real estate you
8 had talked about, isn't it true that it's common with
9 camps and cottages and the like that they'll be sold
10 with all furnishings and contents?

11 A It may be where you come from, but that has not been
12 the rule around here that I've witnessed. It's --
13 it's rare. It's usually stove, refrigerator, washer,
14 and dryer. And on occasion where there's an estate
15 and somebody simply wants to dump a cottage or
16 something, I have seen that. And that probably would
17 be the majority of those unusual situations.

18 Q Thank you, sir.

19 MR. DAVIS: Nothing further.

20 MR. CULLEY: Could we take a minute?

21 MR. DAVIS: Of course.

22 (Off the record at 3:16 P.M. The
23 deposition resumed at 3:22 P.M.)

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EXAMINATION

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BY MR. CULLEY:

Q Okay. So Jim, want to go back to Exhibit --
Deposition Exhibit 2 that Attorney Davis was asking
about. And this would be the -- the e-mail was also
sent on November 10, 11:32 A.M.

A Mm-hmm.

Q And I think it's like page 3, is it? Yes, page 3 of
that exhibit. And I'm looking down here -- oh, I'll
let you read that. Take a moment.

A (Witness is examining document.)

I've read it.

Q Okay. So it sounds like you -- you called the bank
about this deal and how it might -- how they might
fund it?

A Yes.

Q Yes. And you said -- over here, you say we would
need to consider a support mortgage for the
difference between that mortgage, 100,000 plus or
minus I think, and the value of the home, 150,000,
question mark.

Where did the 150,000 come from?

A It probably came from Mr. Beck's comments earlier,
130. I -- I have no idea.

Q No idea. Okay.

1 Well, let me just go back to the other exhibit
2 Attorney Davis asked about a good deal, Exhibit 5,
3 Deposition Exhibit 5. This is an e-mail from you to
4 Jacob Beck. And let me see, I guess it's the third
5 sentence. Now we know there is nothing owed to BB&T,
6 that there was a 148,000 mortgage to Homecoming
7 Financial.

8 So were you familiar with a \$148,000 mortgage?

9 A I was totally unaware of it until we got into the --
10 the actual meat of the deal.

11 Q Sure.

12 A I did not -- and it surprised me a little bit,
13 because I normally represented Mr. Corson. It was
14 news to me that he had a mortgage with this company.

15 Q Sure.

16 A I did not do the work on it.

17 Q Yes. In your experience, 40 years of experience plus
18 with real estate --

19 A Don't keep reminding me of that, please.

20 Q Sorry about that.

21 Do -- do banks typically loan more money than
22 the security interest?

23 A No.

24 Q So would it be fair to say that 148,000 would be a --
25 at least a bank's valuation of the security interest

1 to that house?

2 MR. DAVIS: Objection to the form.

3 MR. KIMPTON: Objection.

4 BY MR. CULLEY:

5 Q Would it be fair to say 148,000 is an expression of
6 value?

7 A No.

8 Q No. Why would the bank loan 148,000 if they didn't
9 think it was worth 148,000?

10 MR. KIMPTON: Objection.

11 MR. DAVIS: The same objection.

12 MR. CULLEY: Sure. I'll ask him to answer
13 anyway.

14 Q In your experience?

15 A There was a period, as we are all aware of, back in
16 the early 2000s I believe where people were using
17 their homes as if they were banks and taking out
18 mortgages first and second. And back during that
19 period of time -- and I'm not sure when this -- I
20 don't have the records in front of me to tell you
21 when that mortgage took place. But there were
22 mortgage brokers who could somehow figure a way to
23 make a piece of property worth a lot more than it
24 actually was in order to get a mortgage for their
25 client.

1 Q And would that typically be many tens of thousands of
2 dollars more on a house of this value?

3 A I've seen that.

4 Q Yes. Yes.

5 A Unfortunately.

6 Q And had -- had you seen that in Leol's other
7 mortgages?

8 A I did not handle any mortgage transactions for Leol.
9 I don't know where -- who did. My guess is if this
10 was Northstar or whatever the company was --
11 Nationstar, they usually send -- they do it
12 completely outside of the legal -- the lawyer's
13 office. They send an agent from who knows where to
14 close the deal, and they may or may not know anything
15 about what's going on.

16 I -- I have no -- I have no knowledge why
17 \$148,000 was there.

18 Q Sure. And no knowledge of why 150,000 in your
19 previous e-mail?

20 A I think I was just throwing a figure out. I don't
21 have any idea.

22 Q Okay.

23 MR. CULLEY: All set. That's it.

24 MR. DAVIS: Nothing for me.

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(The deposition was concluded at
3:28 P.M.)

CERTIFICATE OF DEPONENT

I, **JAMES W. GALLAGHER**, do hereby certify that the foregoing 35 pages is an accurate transcript, except as noted below, of testimony given by me on February 14, 2019, in the cause of action CORSON vs. BECK and BECK.

Date

JAMES W. GALLAGHER

NOTARY PUBLIC

CORRECTIONS

Page #: Line #: Reads: Should Read:

CERTIFICATE

I, Heather M. Williams, a Notary Public in and for the State of Maine, hereby certify that on the 14th day of February, 2019, personally appeared before me the within-named deponent, JAMES W. GALLAGHER, who was sworn to testify the truth, the whole truth, and nothing but the truth in the aforementioned cause of action, and that the foregoing is a true and accurate record of the evidence as taken by me by means of computer-aided machine shorthand.

I further certify that I am a disinterested person in the event or outcome of the aforementioned cause of action.

IN WITNESS WHEREOF, I subscribe my hand this 4th day of March, 2019.

Heather M. Williams
Notary Public

My commission expires:

June 1, 2021